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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 019032

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SUBJECT: CHINA-EU SUMMIT: HEAVY ON DIALOGUE, LIGHT ON
DELIVERABLES

REF: A. BRUSSELS 2815

[1](#)B. HELSINKI 870

Classified By: Deputy Political Section Chief Robert Griffiths, Reasons
1.4 (b/d).

Summary

[1](#)1. (C) Neither the Chinese nor EU member states expect much in the way of deliverables from the Ninth Annual EU-China Summit in Helsinki, September 9-12. Wen Jiabao will represent China at the Summit, hosted by current EU President Finland, with the stated purpose of increasing dialogue and strengthening ties between the EU and China. Wen will deliver the keynote address at the EU-China Business Summit on September 11. The sixth annual Asia Europe Meeting (ASEM) focusing on trade and business development will be held concurrently, from September 10-11. After the Summit, Wen will travel to Germany and the UK, September 13-15, ending his trip in Tajikistan for the Shanghai Cooperation Organization (SCO) meeting. Contacts at the EU Mission and the Finnish, German and U.K. Embassies in Beijing said they did not expect the EU Arms Embargo to be an issue. Beijing will likely raise the issue of lifting the Embargo, but as there is no consensus within the EU on the topic, no movement is contemplated. Wen will also likely press for the EU to grant Market Economy status to China, but no one, not even the Chinese, expect movement on that issue either, according to Embassy Beijing contacts. End Summary.

The Agenda

[1](#)2. (C) The Chinese delegation, led by Wen Jiabao, and including Foreign Minister Li Zhaoxing, Minister of the National Development and Reform Commission Ma Ka and Commerce Minister Bo Xilai, will attend the EU-China Political Summit September 9, the EU-China Business Summit September 11-12 and ASEM meetings September 10-11. The EU-China Political Summit will be hosted by the Prime Minister of Finland Matti Vanhanen and President of the European Commission, Jose Manuel Barroso. Concurrently, Helsinki will host the EU-Republic of Korea Summit which ROK President Roh Moo-hyun will attend. The ASEM Summit will begin on September 10, bringing together European and Asian Heads of States from member states of the European Union, the ten ASEAN countries, China, Japan and the Republic of Korea. On September 11, Wen will deliver the Keynote Address at the EU-China Business Summit. The Chairman of the China Council for the Promotion of International Trade (CCPIT), Wan Jifei, and the Chairman of Vimicro Corporation, Dr. Deng Zhonghan, will also attend

and speak at the EU-China Business summit on September 11. Bo Xilai will also speak at this event. Wen will depart Helsinki on September 12 and travel to London and Berlin for bi-lateral meetings, ending his trip in Dushanbe for the SCO meeting.

ASEM

13. (C) This year's ASEM meeting will be the largest ever, comprising 39 heads of state, according to the DCM of the Finnish Embassy in Beijing. The Korean and Indonesian Presidents will attend, as well as Prime Minister Koizumi of Japan. There will be no meetings between Koizumi and Premier Wen, according to all sources consulted. Given the Yasakuni Shrine issue and the fact that Koizumi is "on his way out" Beijing does not see a meeting with Japan as worthwhile at this point, according to Wu Baiyi of the China Foundation for International and Strategic Studies. Wen will meet likely meet with ROK President Roh, according to the Fins. Helsinki invited Burma to attend the ASEM meetings, subjecting the EU to some criticism from human rights organizations including Human Rights Watch.

No Movement Expected on Arms Embargo

14. (C) Beijing may be waiting for a more opportune moment to push the EU to lift the arms embargo, speculated Wu. Noting that Finland is not a big country and that this year's summit is more about creating good will and enhancing trade and business cooperation than advancing political agendas, Wu said he was fairly confident that Beijing would raise the issues of the arms embargo and of China's market economy

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status, but would not push too hard. His sentiments were echoed by a contact at the UK Embassy who noted that Finland does not have the clout to actively engage with China on a wide range of issues. Despite recent statements in the press from high level Chinese officials calling on the EU to scrap the arms ban, notably the September 7 press briefing by Li Ruiyu, deputy head of the MFA European department, all of Embassy Beijing's contacts, both European and Chinese, have said they expect no movement on either issue.

GALILEO Also Stalled

15. (C) There will likewise be little progress made on the Galileo satellite program cooperation with China, according to a contact from the EU Mission in Beijing. Progress is stalled by a variety of technical and political issues and none will be resolved either at or before the Summit. The Finnish DCM in Beijing echoed these sentiments.

Discussion But No Deliverables

16. (C) The Political Summit will cover a wide variety of issues, with a focus on dialogue and enhancing understanding and cooperation, according to the Fins. The Fins, Brits, Germans and EU representative all said the same thing: the focus of the Summit is dialogue, not deliverables, although several trade deals will be signed during the visit. The Summit agenda includes trade policy, environmental issues, key regional and international issues, energy security, human rights and China's market economy status. When asked if the German EU Presidency might present the right opportunity for renewed pressure from Beijing to lift the arms embargo, Wu would not speculate. One contact at the UK Embassy in Beijing similarly noted that as Finland is a small country, EU engagement with China at this summit cannot be expected to be as deep as when countries like Germany fill the presidency.

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